
By: **Allegany County Delegation**
Introduced and read first time: February 12, 2004
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Allegany County - Paper Gaming - Licensing and Taxing**

3 FOR the purpose of repealing a certain restriction on certain alcoholic beverages
4 licenses held by for profit businesses that engage in paper gaming in Allegany
5 County; exempting certain qualified organizations and fire and rescue
6 departments from obtaining a paper gaming license if certain qualified
7 organizations and fire and rescue departments buy certain paper gaming
8 devices only from certain licensed wholesale vendors; altering the time frame in
9 which a wholesale vendor licensee must provide a certain list to the Board of
10 County Commissioners of Allegany County to be monthly; repealing the
11 requirement obligating a retail alcoholic beverages licensee who holds a paper
12 gaming license to obtain a certain stamp from the Board of County
13 Commissioners; prohibiting the Board of County Commissioners from imposing
14 a certain paper gaming tax on certain qualified organizations and fire and
15 rescue departments if the qualified organizations and fire and rescue
16 departments buy certain paper gaming devices from licensed wholesale vendors;
17 authorizing the Board of County Commissioners to authorize certain inspectors
18 to enter the premises of certain qualified organizations to ensure compliance
19 with certain provisions of law; and generally relating to paper gaming in
20 Allegany County.

21 BY repealing and reenacting, with amendments,
22 Article - Criminal Law
23 Section 13-302
24 Annotated Code of Maryland
25 (2002 Volume and 2003 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

28 **Article - Criminal Law**

29 13-302.

30 (a) (1) In this section, "paper gaming" means a game of chance in which:

1 (i) prizes are awarded; and
2 (ii) the devices used to play the game are constructed out of paper
3 or cardboard.

4 (2) "Paper gaming" includes tip jar and punchboard gaming.

5 (3) "Paper gaming" does not include bingo.

6 (b) This section applies only in Allegany County.

7 (c) (1) Subject to paragraphs (2) and (3) of this subsection, a person that is a
8 for profit business or qualified organization may engage in paper gaming if the person
9 obtains a paper gaming license that is issued by the Board of County Commissioners.

10 (2) If the person is a for profit business, the person shall also hold a
11 Class A, C, or D retail alcoholic beverages license [allowing on-premises
12 consumption].

13 (3) Qualified organizations that do not have an alcoholic beverages
14 license and fire and rescue departments may engage in paper gaming without
15 obtaining a paper gaming license IF THE QUALIFIED ORGANIZATIONS AND THE FIRE
16 AND RESCUE DEPARTMENTS BUY PAPER GAMING DEVICES ONLY FROM WHOLESALE
17 VENDORS LICENSED BY THE BOARD OF COUNTY COMMISSIONERS.

18 (d) A person may sell paper gaming devices to a paper gaming licensee if the
19 person obtains a wholesale vendor's license issued by the Board of County
20 Commissioners.

21 (e) The Board of County Commissioners shall set annual fees for a paper
22 gaming license and a wholesale vendor's license.

23 (f) [Quarterly] MONTHLY, wholesale vendor licensees shall provide a list to
24 the Board of County Commissioners of all customers to whom they sell paper gaming
25 products and the total number of products sold to each customer.

26 [(g) A retail alcoholic beverages licensee who holds a paper gaming license
27 shall obtain without charge from the Board of County Commissioners a stamp to be
28 displayed with the alcoholic beverages license.]

29 [(h)] (G) The Board of County Commissioners shall ensure that each retail
30 alcoholic beverages licensee who holds a paper gaming license sells to the public the
31 same serial-numbered paper gaming devices that are listed on the bill of sale from
32 the wholesale vendor licensee.

33 [(i)] (H) (1) The Board of County Commissioners may impose the following
34 paper gaming taxes:

35 [(1)] (I) on licensees that are qualified organizations, 10% of gross
36 profits minus the costs of paper gaming products; and

1 (1) hire one or more inspectors; and

2 (2) authorize each inspector to enter the premises of a licensee OR A
3 QUALIFIED ORGANIZATION to ensure compliance with this section or a rule or
4 regulation adopted under this section.

5 [(m)] (L) The Board of County Commissioners may adopt an ordinance or
6 resolution declaring that a violation of this section or a rule or regulation adopted
7 under this section is:

8 (1) a civil infraction under Article 25B, § 13C of the Code; or

9 (2) a misdemeanor punishable by a term of imprisonment not exceeding
10 30 days or a fine not exceeding \$1,000 or both.

11 [(n)] (M) After a hearing, if the Board of County Commissioners or a designee
12 of the Board finds that a paper gaming licensee, a wholesale vendor licensee, or an
13 agent of a licensee has violated this section or a rule or regulation adopted under this
14 section, the Board may suspend or revoke the license in addition to any fine or
15 penalty imposed under subsection [(m)] (L) of this section.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 June 1, 2004.